

the state aid formula, the ratio between foundation aid and equalization aid. Of course foundation aid is dollars per student, and then equalization aid is geared to give the money to the districts which need it worse. The way the formula works, at this point, is that if you have a lot of valuation per student you probably don't get equalization. If you have not very much valuation per student, you probably get equalization aid. The problem I have with this concept is the same one I've had for a long time, and that is that valuation does not necessarily indicate ability to pay. I had a bill this year which was killed in committee which would have based equalization somewhat on personal income in those districts. It seems to me that valuation should not be used exclusively as a measure of wealth, that the personal income of the people in the district is also an indicator of ability to pay. We could have a school district in which there was very low valuation per student, but in which the personal income of the people residing in that district was at a very high level. So, in that case, it seems inappropriate to me to have a lot of equalization aid going to that school district because just, frankly, they just don't need it. So I'm hopeful that before LB 283, the issue is finally resolved, that some recognition is taken of the fact that valuation is not necessarily an indicator of wealth, that we have rural people in particular with large amounts of valuation, large amounts of property in order to make a living, but then their total farm income, or their total income in many cases is very low. So that leaves them in the situation of not being eligible for equalization aid, even though, in my opinion, they do deserve it.

SPEAKER BARRETT: Thank you. Senator Remmers.

SENATOR REMMERS: Mr. President, members of the Legislature, this issue does draw my attention. I would agree with Senator Lamb, the best motion would have been to indefinitely postpone, but I will support the bracket motion. But I am...would like to express myself on a few points on this issue. We talked about 775 being a city versus...Omaha versus outstate Nebraska issue, well here is another one. This definitely is a bill that would benefit the Omaha, especially the Omaha suburban schools. In our...some of the information we had in our preliminary information on the tax study it said that half the property in Nebraska is rural. And that half property generates less than 10 percent of the state's wealth, the state's income, and yet we are using property exclusively when we come to equalization aid. I objected to this bill when it was first passed, back when the